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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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DEC - 2 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of	)	
	)	
National Exchange Carrier Association, Inc.	)	
	)	
Petition to Amend Section 69.104 of the	)	RM No. 10603
Commission's Rules	)	

COMMENTS OF THE UNITED STATES TELECOM ASSOCIATION

The United States Telecom Association (USTA),[1] through the undersigned and pursuant to the ***Public Notice*** released by the Federal Communications Commission's (FCC's or Commission's) Wireline Competition Bureau (WCB)[2] and pursuant to sections 1.415 and 1.419 of the Commission's rules,[3] hereby submits its comments on the Petition for Rulemaking.

In its Petition for Rulemaking, the National Exchange Carrier Association, Inc. (NECA) "requests that the Commission amend section 69.104 of its rules ***so*** as to permit the application of no more than five End User Common Line (EUCL) charges (also commonly referred to as "Subscriber Line Charges" or "SLCs") to customer-ordered exchange access service that is provisioned using digital, high capacity T-1 interfaces (*i.e.*, 1.544 Mhps digital circuit interfaces) for which the customer supplies the terminating channelization equipment."[4] Specifically, NECA proposes that section 69.104 of the FCC's rules, which address the application of end user common line charges for non-price cap incumbent local exchange carriers, be modified to

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[1] USTA is the Nation's oldest trade organization for the local exchange carrier industry. USTA's carrier members provide a full array of voice, data and video services over wireline and wireless networks.
[2] *Public* Notice, RM No. 10603, DA 02-3062 (rel. Nov. 8, 2002) soliciting comment on the Petition for Rulemaking to amend Section 69.104 of the Commission's Rules, filed by the National Exchange Carrier Association, Inc.
[3] 47 C.F.R. §§1.415 and 1.419.

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add subsection (p)(3), stating that "non-price cap local exchange carriers shall assess . . . no more than five End User Common Line charges as calculated under paragraph (o) of this section for customer-ordered exchange access service that is provisioned using T-1 interfaces for which the customer supplies the terminating channelization equipment."[5]

As a basis for the requested rule changes, NECA explains that Primary Rate Interface (PRI) Integrated Services Digital Network (ISDN) services, for which the Commission has already limited to five the number of SLCs assessed, are similar to derived channel services of other exchange access services (e.g., Digital Transport Service (DTS)) that are provisioned over T-1 interfaces where the customer provides the terminating channelization equipment. Using DTS as an example, NECA emphasizes that DTS and PRI ISDN are "functionally similar and provisioned in virtually the same manner."[6]

USTA agrees with NECA that similar services such as PRI ISDN and other exchange access provisioned over certain T-1 interfaces should receive similar regulatory treatment with regard to the number of SLCs that are assessed. However, such similar services are not treated similarly today. For example, PRI ISDN service is currently assessed five SLCs and a port charge while DTS is assessed up to 24 SLCs, resulting in end user charges of approximately $70 for PRI ISDN and $221 for DTS.[7] As NECA notes in its Petition, the disparity in end user charges for these two similar services is significant – customers purchasing DTS may pay almost three times as much in end user charges for SLCs as customers purchasing PRI ISDN pay for end user charges for SLCs and port charges?[8] The effect of this disparity in end user charges for

[4] *National Exchange Carrier Association, Inc. Petition to Amend Section 69.104 of the Commission's Rules*, RM No. **10603, Petition** for **Rulemaking at 1 (Sept. 26,2002) (Petition).**
[5] *See* **Petition at Appendix A.**
[6] **Petition at 6.**
[7] *See id.*
[8] *See id.*

similar services is a distorted, artificial incentive for customers to choose one service over another. The cause resulting in this effect is that these functionally similar services do not receive parity in their regulatory treatment.

In addition to the distorted customer impacts of disparate regulatory treatment of PRI ISDN service and other exchange access services provisioned over certain T-1 interfaces, USTA notes that assessing one multi-line business SLC per derived channel on T-1 interfaces (where the customer provides the terminating channelization equipment) results in an inaccurate assessment of SLCs on channels that are not being used for voice traffic. The continuing development of derived channel services has led customers to use these services for both voice and data, which lends further support for limiting the number of SLCs assessed on exchange access services provisioned over certain T-1 interfaces.

For these reasons, USTA urges the Commission to limit to five the number of SLCs assessed on exchange access services that are provisioned using T-1 interfaces for which the customer supplies the terminating channelization equipment. This limitation is consistent with the Commission's previous modification of its rules limiting the assessment of the number of

SLCs assessed on PRI ISDN services? USTA supports the FCC rule changes proposed by NECA to effectuate such a limitation.''

Respectfully submitted,

UNITED STATES TELECOM ASSOCIATION

By: Robin E. Tuttle

Lawrence E. Sarjeant
Indra Sehdev Chalk
Michael T. McMenamin
Robin E. Tuttle

Its Attorneys

1401 H Street, NW, Suite *600*
Washington, D.C. *20005*
(202)326-7300

December *2,2002*

[9] NECA notes that it anticipates a separate port charge may need lo be assessed on the exchange access services provided over T-1 interfaces for which the customer supplies the terminating channelization equipment, consistent with the current treatment of PRI ISDN services. ***See*** Petition at 9.
[10] ***See*** Petition at Appendix A.

CERTIFICATE OF SERVICE

I, Robin Tuttle, do certify that on December 2,2002 copies of the foregoing Comments of the United States Telecom Association was either sent via electronic mail or deposited in the **U.S.** Mail, first-class, postage prepaid to the persons on the below service list.

/s/
Robin Tuttle

Richard Askoff
NECA
80 South Jefferson Road
Wippany, NY 07981

Jeremy D. Marcus
Pricing Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Qualex International
Portals II
445 12th St. S.W.
Room CY-B402
Washington DC 20554